

**Code of Practices and Procedures for Fair  
Disclosure of Unpublished Price Sensitive Information**

**&**

**Code of Conduct to Regulate, Monitor and Report  
Trading By Insiders**

**of**

**Nova Publications India Limited**

*[As per SEBI (Prohibition of Insider Trading) Regulations, 2015]*

## **Preamble**

- 1.1 The Securities and Exchange Board of India ("SEBI") finally notified the SEBI (Prohibition of Insider Trading Regulations) 2015 on January 15, 2015 replacing the two-decade old insider trading norms in India. The Regulations are based on the recommendations made by an 18 member committee constituted by SEBI under the chairmanship of Justice N.K. Sodhi, former Chief Justice of the High Courts of Kerala and Karnataka, which were approved by the SEBI Board in its meeting held on November 19, 2014.
- 1.2 Vide Notification dated 15<sup>th</sup> of January, 2015 published in the official gazette. The revised Regulations will come into force by the 15<sup>th</sup> of May, 2015 i.e. after 120 days from the date of Notification.
- 1.3 The Securities Exchange Board of India (SEBI), in its endeavour to protect the interests of the investors in general. These regulations shall be applicable to all the listed companies whose shares are listed on Indian Stock Exchange(s). It is mandatory in terms of these regulations to formulate the Codes for the followings;
  - Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information; and
  - Code of Conduct to Regulate, Monitor and Report Trading By Insiders

## **Definitions**

- 2.1 "**Act**" means the Securities and Exchange Board of India Act, 1992 (15 of 1992);
- 2.2 "**Board**" means the Securities and Exchange Board of India;
- 2.3 "**compliance officer**" means any senior officer, designated so and reporting to the board of directors or head of the organization in case board is not there, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the board of directors of the listed company or the head of an organization, as the case may be;
- 2.4 "**connected person**" means,-
  - i. any person who is or has during the six months prior to the concerned act been associated with a company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the company or holds any position including a professional or business relationship between himself and the company whether temporary or permanent, that allows such person, directly or

indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.

ii. Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established, -

- a) an immediate relative of connected persons specified in clause (i); or
- b) a holding company or associate company or subsidiary company; or
- c) an intermediary as specified in section 12 of the Act or an employee or director thereof; or
- d) an investment company, trustee company, asset management company or an employee or director thereof; or
- e) an official of a stock exchange or of clearing house or corporation; or
- f) a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or
- g) a member of the board of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; or
- h) an official or an employee of a self-regulatory organization recognised or authorized by the Board; or
- i) a banker of the company; or
- j) a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of a company or his immediate relative or banker of the company, has more than ten per cent of the holding or interest;

2.5 "**generally available information**" means information that is accessible to the public on a non-discriminatory basis;

2.6 "**trading day**" means a day on which the recognized stock exchanges are open for trading;

2.7 "**unpublished price sensitive information**" means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following: –

- i. financial results;
- ii. dividends;
- iii. change in capital structure;
- iv. mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions;
- v. changes in key managerial personnel; and
- vi. Material events in accordance with the listing agreement.

2.8 "**promoter**" shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 or any modification thereof;

2.9 “**immediate relative**” means a spouse of a person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities;

2.10 “**insider**” means any person who is:

- (i) a connected person; or
- (ii) in possession of or having access to unpublished price sensitive information;

2.11 “**Key Managerial person**” means a person as defined in section 2(51) of the Companies Act, 2013

2.12 “**Regulations**” shall mean the Securities and Exchange Board of India (Prohibition of Insider Trading Regulations) 2015 and any amendments thereto.

### 3.1 **Role of Compliance Officer**

The Compliance officer shall report on the insider trading to the Board of Directors of the company and in particular, shall provide the reports to the Chairman of the Audit Committee or to the Chairman of the Board of Directors at such frequency as may be stipulated by the Board of Directors.

3.2 The Compliance Officer shall assist all employees in addressing any clarifications regarding the Securities and Exchange Board of India (Prohibition of Insider Trading Regulations) 2015 and the Company’s Code of Conduct.

### 4.1 **Preservation of Price Sensitive Information**

All the information shall be handled within the Company on a need-to-know basis and no unpublished price sensitive information shall be communicated to any person except in furtherance of the insider’s legitimate purposes, performance of duties or discharge of his legal obligations.

Unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction which entails:

- ❖ an obligation to make an open offer under the takeover regulations where the Board of Directors of the Company is of informed opinion that the proposed transaction is in the best interest of the Company; or
- ❖ not attracting the obligation to make an open offer under the takeover regulations where the Board of Directors of the Company is of informed opinion that the proposed transaction is in the best interest of the Company and the information that constitute unpublished price sensitive information is disseminated to be made generally available at least two trading days prior to the proposed transaction being effected in such form as the Board of Directors may determine.

4.2 "Need to know" basis means that unpublished price sensitive information should be disclosed only to those within the Company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of the misuse of the information

4.3 Limited access to confidential information/ Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password etc.

#### 5.1 Trading Window and Window Closure

The Trading period i.e. the trading period of the stock exchange(s), called 'trading window' is available for trading in the Company's Securities.

5.2 When the trading window is closed, the specified persons shall not trade in the Company's Securities during such period.

5.3 The Compliance Officer shall intimate the closure of trading window to all the designated Stock Exchange(s) and designated employees of the Company when he determines that a designated person or class of designated persons can reasonably be expected to have possession of unpublished price sensitive information.

5.4 The trading window shall also be applicable to any person having contractual or fiduciary relation with the Company, such as Auditors, Accountancy Firms, Law Firms, Analysts, and Consultants etc.

#### 6.1 Continual Disclosure

Every promoter, employee and Director of the Company shall disclose to the Company the number of such securities acquired or disposed off within two trading days of such transaction if the value of securities traded whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs. Ten Lakhs.

The disclosure shall be made within two days of;

- ❖ the receipt of intimation of allotment of shares, or
- ❖ the acquisition or sale of shares or of voting rights, as the case may be.

#### 7.1 Disclosure by the Company to Stock Exchange(s)

Within two days of the receipt of the intimation under clause 6.1, the Compliance Officer shall disclose to all Stock Exchanges on which the Company is listed.

7.2 The Compliance Officer shall maintain records of all the declarations in the appropriate form given by the Directors/Officers/Designated Employees for a period of Five years.

## 8.2 Code of fair Disclosure

A code of practices and procedures for fair disclosure of unpublished price sensitive information for adhering each of the principles is set out below;

1. Prompt public disclosure of unpublished price sensitive information that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
2. Uniform and universal dissemination of unpublished price sensitive unpublished price sensitive information to avoid selective disclosure.
3. Designation of a senior officer as a chief investor relations officer to deal with dissemination of information and disclosure of unpublished price sensitive information.
4. Prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
5. Appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
6. Ensuring that information shared with analysts and research personnel is not unpublished price sensitive information.
7. Developing best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.
8. Handling of all unpublished price sensitive information on a need-to-know basis.

## 9.1 Format for Disclosures

All disclosures shall be made in such forms/formats as may be prescribed by the SEBI under the Regulations from time to time.

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